

Hawaii Employer-Union Health Benefits Trust  
Fund

**Retirement Benefit  
Information Booklet  
For  
State and County  
Employees**

July 2006

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## **INTRODUCTION**

This summary booklet is prepared by the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to help employees contemplating retirement understand the benefit options available and assist them in making their decisions regarding health benefits upon retirement. It contains information on retiree benefits provided by Chapter 87A, Hawaii Revised Statutes, and describes the EUTF's enrollment requirements. This booklet will be updated and available on the EUTF's website, [www.eutf.hawaii.gov](http://www.eutf.hawaii.gov), where you can easily access it for reference.

## **BACKGROUND**

Act 88 established the EUTF during the 2001 legislative session and codified in Chapter 87A, Hawaii Revised Statutes. Chapter 87A established the EUTF board of trustees as its governing body and is comprised of ten trustees. The Act also established a cap on the amount of employer contributions for retirees and provided an annual adjustment based on the annual Medicare Part B premium rate. The EUTF is administrative attached to the Department of Budget and Finance and is responsible for the daily administrative activities related to the health and life insurance benefits for retirees.

## **ELIGIBILITY**

### **Who is eligible for retirement health benefits?**

As a state or county retiree, you are eligible to enroll:

- Yourself

- Your spouse or domestic partner

- Your children under age 19 (including your domestic partner's children)

- Your student (ages 19 through 23 years of age) if a full time student at an accredited college, university or technical school

Based on your eligibility, your employer will make a monthly contribution toward your health premiums. Only the retiree is eligible for group life insurance

You will be eligible to enroll in a medical and prescription drugs, dental and vision plan upon your retirement.

### **What are the requirements for domestic partnerships?**

Domestic partners (d/p) are eligible for health benefits. To qualify for d/p, you must meet the following requirements:

1. Intend to remain in a domestic partnership indefinitely
2. Have common residence
3. Jointly responsible for each other's basic living expenses
4. Neither married nor a member of another domestic partnership
5. Not related by blood that would prevent marriage in Hawaii
6. Both at least 18 years of age and mentally competent to contract
7. Consent not obtained by fraud, force or duress
8. Both sign and date the declaration of domestic partnership

**Please note that premiums paid by the employer for a domestic partner has tax implications. Contact your tax consultant for specific questions.**

### **PAYMENT**

#### **Will I have to pay for my health benefits?**

Chapter 87A changed the way premiums are covered effective July 1, 2003. In this law, the State legislature established maximum amounts that the employer would contribute to the cost of premiums. In addition, the law allowed for changes to the maximum amounts each year based on the change in the Medicare Part B premiums established by the federal government.

The 2003 legislature amended Chapter 87A and established new maximum levels for the plan year July 1, 2004 to June 30, 2005. The maximum amount is adjusted annually based on the changes to the Medicare Part B premiums set by Medicare each November. The maximum employer contribution amounts are shown at the end of this document.

If the total premiums for all plans exceed the maximum employer contribution amount, you will be responsible for the difference in premiums. For example, if the maximum employer contribution amount is \$1,000 and the premiums totaled \$1,200, the retiree would have to pay \$200, the difference between the \$1,200 and the \$1,000 maximum.

The new law also amended the eligibility requirements that were previously changed in 1996. Prior to July 1, 2001, the employer contributions were for both the retiree and family. The new law changed the employer contributions for employees who were hired on or after July 1, 2001. The change meant that when these employees retired in future years, only the retiree would receive contributions from the employer. All current and future retirees that were hired prior to July 1, 2001 would continue to have coverage for their spouses and family.

### **When I retire, how much will I pay for my health benefits?**

Your premium share will depend on your retirement status as determined by the ERS. In 1996, the state legislature modified the statute that governs retirees' health benefits eligibility. If you qualified for "free" health benefits prior to July 1, 1996, you are eligible to receive 100% contribution toward your health benefit premium. The 1996 law established different levels of contribution based on specific rules.

Those hired prior to July 1, 1996 and retired after June 30, 1984 with less than ten years of accredited service will receive 50% of the contribution toward the retiree health benefit premiums.

Those hired prior to July 1, 1996 and retired after June 30, 1984 with ten or more years of accredited service will receive 100% of the contribution toward the retiree health benefit premiums.

Those hired on or after July 1, 1996 with at least ten years but less than fifteen years of accredited service will receive 50% of the contribution toward the retiree health benefit premiums.

Those hired on or after July 1, 1996 with at least fifteen years but less than twenty-five years of accredited service will receive 75% of the contribution toward the retiree health benefit premiums.

Those hired on or after July 1, 1996 with at least twenty-five years of accredited service will receive 100% of the contribution toward the retiree health benefit premiums.

Effective July 1, 2001, the legislature changed the law by establishing caps on the employer contribution for premiums and limited the contribution only to the retiree. Therefore, for retirees hired on or after July 1, 2001, employer contributions will be only for the retiree.

## **NOTE:**

1. If you are a retiree hired on or after July 1, 2001, your spouse and dependents are still eligible to be enrolled under the EUTF retiree plan. The law only restricted the employer contribution for the retiree. You may obtain family coverage but you will be responsible for the difference in premium.
2. The new Hybrid retirement plan allows employees to retire with as little as five years of service at age 62. If you have less than ten years of service, you will not be receiving any contributions from the employer. HOWEVER, you can still be eligible for health benefits but will have to pay the entire premium out of your own pocket.

## **BEFORE RETIREMENT**

### **What should I do before I make my decision to retire?**

Read the reference guide for retirees to understand the EUTF's benefit program and your insurance coverage. The reference guide will be provided to you at or prior to the retirement session. If you have access to the Internet, you may also download a copy of the reference guide from our website.

Attend a retirement session to learn about your retirement benefits and your EUTF benefits.

Contact your personnel office or the EUTF customer service if you have any questions about your current employee EUTF enrollment status.

Call your EUTF insurance carriers if you have any questions about your retiree health or group life insurance coverage in Hawaii, on the mainland or in a foreign country.

When you attend your retirement counseling session with the Employees' Retirement system (ERS), you will have the opportunity to enroll in the EUTF retiree health benefits program. In most cases, a EUTF representative will be there to assist you and answer your questions.

## **IMPORTANT FACT!!**

**YOU DO NOT HAVE TO BE ENROLLED IN AN ACTIVE EMPLOYEE PLAN PRIOR TO YOUR RETIREMENT TO QUALIFY FOR THE RETIREE PLAN.** You will be eligible to enroll in any retiree plan offered by EUTF at the time of your retirement.

## **What should I know about my life insurance when I retire?**

You are automatically enrolled in the life insurance plan offered by EUTF at no premium cost to you. The carrier is Aetna Life Insurance Company and your coverage, regardless of age is \$2,132. You may change your life insurance beneficiary at any time. Please call EUTF customer service at 586-7390 or toll free at 1-800-295-0089 to obtain a beneficiary form. You may also download a copy of the form from our website, [www.eutf.hawaii.gov](http://www.eutf.hawaii.gov).

## **When do my retirement health benefits begin?**

When your retirement application is finalized, ERS will inform you of your effective date of retirement. You can only retire on the first day of the month or the last day of the calendar year. In all cases, the effective date of coverage will be the first day of the month. For example, if you retire on December 1, your retirement health benefits will begin on December 1. If you retire on December 31 or January 1, your retirement health benefits will begin on January 1.

If you have any amounts owed to the EUTF, you must clear your account before you can enroll. Any money owed for past due payments must be reconciled before any contributions are made by the employer. The EUTF has the right to recover amounts from and out of any and all future benefits payable to the person who has ceased to be eligible for continued enrollment or coverage (admin rules 4.13(c)).

## **DURING RETIREMENT**

### **When is the open enrollment process for retirees?**

The EUTF's board of trustees establishes an open enrollment period to inform retirees about new benefit plan insurance coverage and allowable enrollment changes. The open enrollment period for retirees is generally conducted at the same time as active employees.

The EUTF will mail you an open enrollment package to include a reference guide for retirees, an open enrollment application form and other materials that may assist you during the open enrollment period. Please read these materials.

During the open enrollment period, you will be able to make changes, adjustments, and other enrollment transactions that you currently can do as an active employee.

**Since I have no personnel office to assist me, who do I contact for help?**

The retiree will be dealing directly with the EUTF for any enrollment or health benefit issues. You may call our customer service department at 586-7390 or 1-800-295-0089 to assist you. If you have access to email, you can send your questions to our email address at [eutf@hawaii.gov](mailto:eutf@hawaii.gov).

If you have specific questions regarding the plans that you have, you will need to contact the applicable carrier.

**When I have changes to be made, what must I do?**

It is very important that you keep the EUTF abreast of any changes in your address, name or eligibility. Since the EUTF corresponds with you directly, your address must be kept updated. In addition, any changes in family status and eligibility should be reported immediately.

You are required to notify the EUTF within 30 days of the following events if you want your change to be effective on the date of the event. Otherwise, the effective date of enrollment changes will be the first day of the month following the date that you properly file a completed enrollment application.

Child who reaches 19 years of age and does not become a full-time student.

Marriage, newborn child, adoption of a child, annulment of marriage, divorce, dissolution of domestic partnership, or death.

Death of your spouse or child under age 19 (or 24 if a full-time student)

**What health benefit changes am I allowed to make after I am retired?**

When you retire, you can enroll in any of the plans that the EUTF offers to retirees. Your retirement allows changes and choices that you normally would have during an open enrollment period. It does not matter what plans you were enrolled in just prior to retirement.

You may change your coverage from self only to family or vice versa.

If your spouse or domestic partner is still working but not with the state or counties and covering you as a dependent, you can elect the family plan and cover your spouse as a dependent.



If both you and your spouse or domestic partner is state or county retirees without children, you may both enroll separately with self-only coverage.

You do not have to be enrolled in a EUTF prior to retirement to be eligible to enroll in the EUTF retiree plans. For example, if you were covered by your spouse's medical plan and did not enroll in the EUTF plans, you will still be entitled to enroll in the EUTF plans upon retirement.

If you or your spouse or domestic partner becomes eligible to enroll in the federal Medicare Part B medical insurance plan, you or your spouse or domestic partner is required to enroll in that federal plan.

If your spouse or domestic partner is still an active employee of the state or county, you may mix or match your health benefit selections. For example, you may choose to cover your spouse/family in your retiree medical plan, but may be a dependent of your working spouse in the dental and vision plans.

Student coverage is now available under the retiree plan. A student is your child 19 – 23 years of age, attending a college, university or technical school as a full-time student.

**If I am a Kaiser Permanente member, how will I be affected if I move out of the local area?**

Kaiser plan members, who move outside of the Hawaii service area, may continue Kaiser coverage as long as they move to a Kaiser multi-site service center area and enroll with the local Kaiser office. Currently, the EUTF has Kaiser multi-site agreements with the local Kaiser office in parts of California, Washington, Colorado, Oregon, mid-Atlantic (District of Columbia, Maryland, Virginia) and Georgia. If you move to an area outside of a Kaiser multi-site service area, Kaiser will terminate your enrollment with them and you will be required to change to the HMSA medical and drug plans.

If you move to a Kaiser multi-site service area and choose to remain on the Kaiser plan, you not only must enroll with the EUTF, but you must also enroll with the Kaiser office in that area as well. Your enrollment with the EUTF and that Kaiser office will ensure that the employer contributions are directed to the correct Kaiser office. Please be aware that the premiums and coverage at the other multi-site service areas may differ from the premiums and coverage negotiated with Kaiser Permanente Hawaii. If the premiums at your multi-site Kaiser office are greater than the employer contribution, you will be required to pay the difference in cost.

If you spend part of your time living in Hawaii and part living elsewhere, your address that you report to Kaiser and EUTF will determine whether or not you are eligible to remain on a Kaiser plan. If you intend to continue your services in Hawaii, you should always maintain the Hawaii address with Kaiser and EUTF. If you change your address to a location outside of a Kaiser service area, you will be automatically cancelled by Kaiser and enrolled into HMSA. Upon return to Hawaii or your move to a Kaiser service area, retirees may re-enroll in the Kaiser plan.

### **What if I return to full-time work for state or county government?**

You will be required to enroll in the active employee benefit plans and make appropriate monthly contributions when you return to full-time work. "Full-time work" means an appointment for 3 months or more and at least 50% of a full-time equivalent position. When you retire again, you will be re-enrolling in the retirees' health benefit plans and be subject to the rules in place at that time.

## **DEPENDENTS/SURVIVORS**

### **What happens when the retiree passes away?**

Please ensure that you inform your spouse, family or trust administrator about the procedures to receive EUTF benefits after your death. Your dependents must notify the EUTF if you pass away. The EUTF will notify the life insurance company, Aetna life. Aetna will contact your dependents to begin the process to get the life insurance proceeds to your beneficiaries.

Report the retiree's death to the EUTF (and to ERS).

The EUTF will enroll the surviving spouse or if no surviving spouse, the surviving child(ren) in the retiree health benefits.

The EUTF will also report the death to the life insurance carrier.

If there is a surviving spouse, any children or students (ages 19 – 23) will continue to have health benefits.

## **SPECIAL RULES REGARDING SURVIVORS:**

### **What if the retiree passes away and there is no surviving parent?**

By rule, when a retiree passes away and there is no surviving parent, any child of the deceased retiree becomes an employee-beneficiary. An employee beneficiary

is not a dependent and therefore, is ineligible for student coverage and must, therefore, be terminated from coverage. Health benefit coverage for students will be terminated the first day of the pay period after the death of the retiree. Any remaining children will be terminated on the first day of the pay period after the child reaches 19 years of age.

**What must a surviving spouse do upon attaining Medicare eligibility through age (65 years old) or disability?**

When a surviving spouse becomes eligible for Medicare due to age or a disability that spouse is required to enroll in Medicare Part B to be eligible to continue health benefits coverage through the EUTF. To qualify for the retiree plan upon attaining Medicare eligibility, the surviving spouse must enroll in Medicare Part B and submit proof of enrollment to the EUTF.

**What if my surviving spouse gets remarried or enters into a domestic partner relationship?**

If the surviving spouse gets remarried or enters a domestic partner relationship, health benefits coverage for the surviving spouse and spouse or domestic partner is terminated effective the first day of the pay period after the date of marriage or domestic partnership. **The children of the deceased retiree will remain eligible for coverage just as if the surviving spouse passes away.**

**What if the surviving spouse passes away?**

Please ensure that you inform your family or trust administrator about the procedures to follow when a surviving spouse passes away. They will need to:

- Notify the EUTF of your surviving spouse's death. The health benefits for the surviving spouse will be terminated.

- Be aware that any remaining students will also lose eligibility for health benefit coverage.

- Children under 19 years of age will be enrolled as an employee-beneficiary and continue to be covered until they reach age 19.

- The guardian of any under aged child will need to submit an authorization for guardianship to the EUTF to ensure communication can continue between the EUTF and the surviving children.

## **MEDICARE AND HOW IT AFFECTS ME**

If you have specific questions or require more details regarding your Medicare rights, go to the site below for information regarding Medicare.

<http://www.medicare.gov/>

### **Why am I required to enroll in Medicare Part B when I am eligible?**

Act 136, SLH 1999, requires all eligible state and county retirees and their spouses to enroll in the federal Medicare Part B medical insurance plan if they are enrolled in **the retiree plan**. This statute is incorporated in Chapter 87A, HRS, paragraph 87-23(4). When you become eligible for Medicare, you must enroll in Medicare Part B to continue your **retiree health benefits** through the EUTF. The EUTF will reimburse you quarterly for the cost of the Medicare Part B premium but does not include any penalty premium payments charged by Medicare.

### **How and when will I be reimbursed for my Medicare Part B premiums?**

The statute in Chapter 87A, HRS also mandates that the EUTF reimburse you for your cost of the Medicare Part B premium. The amount of your reimbursement is based on the Medicare premium rate that is published by Medicare in the early part of November each year.

If you became eligible for Part B reimbursements prior to July 1, 2006, your payments will either be by check or by electronic means. On April 27, 2006, the Governor signed Act 39, 2006 SLH that requires all individuals who become eligible to receive Part B reimbursements on or after July 1, 2006 to accept direct deposit of the reimbursements. See the authorization form at the end of this pamphlet.

Generally, your reimbursement checks will be sent or deposited on or about the 1<sup>st</sup> work day of the months of March, June, September and December.

## **Who is eligible for Medicare Part B reimbursements?**

If you are a retiree or spouse of a retiree and enrolled in Medicare Part B, you are eligible to be reimbursed for your Medicare Part B premium. However, to be reimbursed, you must enroll with the EUTF and show proof of your enrollment in Medicare Part B by forwarding a copy of your Medicare card. The EUTF normally sends you a notice to enroll approximately two months prior to your 65<sup>th</sup> birth month. Submit that notice with a copy of your Medicare card to the EUTF.

**IMPORTANT: REIMBURSEMENT COMPUTATION IS BASED ON THE DATE OF YOUR CARD OR THE FIRST DAY OF THE MONTH IN WHICH THE EUTF RECEIVES A COPY OF YOUR CARD.** The EUTF will reimburse the full amount of the premium less any penalties.

## **Who is eligible for Medicare?**

Generally, Medicare is available for people age 65 or older, younger people with disabilities and people with end stage renal disease (permanent kidney failure requiring dialysis or transplant). You are eligible for premium-free Medicare Part A if you are age 65 or older and you or your spouse worked and paid Medicare taxes for at least 10 years. If you (or your spouse) did not pay Medicare taxes while you worked, and you are age 65 or older and a citizen or permanent resident of the United States, you may still be able to buy Medicare Part A.

While most people do not have to pay a premium for Medicare Part A, everyone must pay for Part B if they want it. The monthly premium normally is deducted from your social security, railroad retirement, or civil service retirement check. If you do not get any of these payments, Medicare sends you a bill for your Part B premium.

If you have questions about your eligibility for Medicare Part A or Part B, or if you want to apply for Medicare, call the Social Security Administration or visit their [web site](#). The toll-free telephone number is: 1-800-772-1213. The TTY-TDD number for the hearing impaired is 1-800-325-0778. You can also get information about buying Part A as well as Part B if you do not qualify for premium-free Part A.

## **Who is required to enroll in Medicare Part B?**

Any retiree, spouse or domestic partner, who reaches age 65 and qualifies for Medicare Part B, is required to enroll with Medicare Part B. There are situations when a spouse is still working and covered by an employer's group health insurance but is still required to enroll in Medicare Part B upon reaching age 65.

## Examples:

1. Retiree is age 60 and spouse is 65 years old and not working and both are covered under the RETIREE plan.

Spouse is required to enroll in Part B. Reimbursement for spouse's Part B premium is sent to the retiree.

2. Retiree is 65 plus and spouse is 62 years old and receiving social security payments and both are covered under the RETIREE plan.

Retiree is required to enroll in Part B and spouse is not required to enroll even though spouse receives social security payment. Reimbursement sent for retiree.

3. Retiree is 65 plus and spouse is 67 and still actively working and both are covered by the retiree plan.

Both retiree and spouse are required to enroll in Part B. Even if spouse has medical coverage through the employer, the spouse is still required to enroll in Part B to be eligible for coverage through the retiree plan. Reimbursement for both the retiree and spouse sent to the retiree.

4. Retiree is 65 plus and spouse is still working. Both are covered under the spouse's non-EUTF employer group health plan and the retiree is not enrolled in the EUTF health benefits plan.

For EUTF purposes, the retiree is not required to be enrolled in Part B. If the retiree is enrolled, there is no reimbursement. Medicare also does not require the retiree to enroll in Medicare Part B when covered by an employer group health plan.

5. Retiree is 65 and spouse is working for the State or County and chooses to provide family health benefits through the active employee's plan.

Retiree cannot enroll in the same health plans for the family as the spouse. Retiree is not required to enroll in Part B as long as the retiree is covered by the spouse's employer health plan and also will not be eligible for Medicare reimbursement if enrolled in Part B.

## **Should I sign up for Medicare Part B if I or my spouse are still working and are covered by an employer group health insurance?**

You may want to wait to sign up for Part B if you or your spouse has health coverage through an employer.

## **What will happen if my spouse or I fail to enroll in Medicare Part B when eligible?**

The administrative rules, paragraph 5.04 states “when the retiree fails to enroll in Medicare Part B, the enrollment for the retiree and family will be cancelled from all benefit plans offered or sponsored by the EUTF.” If the spouse fails to enroll, then only the spouse will be cancelled from all benefit plans offered by the EUTF. If your spouse wants to continue coverage under your retiree plan, your spouse is required to enroll in Medicare Part B even though she is still working. Enrollment in Medicare Part B is required to be eligible for coverage under the retiree plans.

## **What must I do to ensure that I can have continued health benefits coverage through the EUTF?**

If you are under age 65 and receiving social security retirement benefits, the social security administration automatically enrolls you in the federal Medicare Part A hospital insurance plan and Part B medical insurance plan effective the first day of your birthday month. Do not decline Medicare Part B. You should receive a red-white-blue Medicare card approximately three months prior to your 65<sup>th</sup> birthday. Upon receipt of your red-white-blue Medicare card, make a photocopy and send it to the EUTF.

Within the same time period, the EUTF will send you a notice informing you about the requirement to enroll in Medicare Part B to continue eligibility for EUTF health benefits coverage. Complete, sign, date and send the notice back to the EUTF with a photocopy of your red-white-blue Medicare card.

If you are nearing age 65 and have yet to receive social security retirement benefits, please call 1-800-772-1213 to enroll in the federal Medicare Part B medical insurance program immediately.

## **Can I enroll in Medicare Part B even though I don't have Medicare Part A?**

Yes, as long as you:

- 1) are age 65 or older; and
- 2) are a legal resident of the U.S.; and
- 3) are a U.S. citizen or lawfully admitted alien who has lived in the U.S. continuously for the five year period immediately preceding the month of enrollment.

**I didn't apply for Medicare when I turned 65 even though I did not have health coverage from my job or through my spouse's employer. What should I do?**

If you missed initial enrollment (a seven-month period starting three months before your 65<sup>th</sup> birthday and ending three months after your birth month), you must wait to apply for Medicare until the general enrollment period during January and March of each year. Your coverage will start the following July. You must apply at your local social security office. You will pay a 10 percent Part B premium penalty for each year you delayed signing up. **The EUTF will not reimburse you the penalty amount over the basic Medicare Part B rate.**

**Can I my delay Medicare Part B enrollment without paying higher premiums?**

**Yes.** In certain cases, you can delay your Medicare Part B enrollment without having to pay penalty premiums. For example, if you didn't take Medicare Part B when you were first eligible because you or your spouse were working and had group health plan coverage through your or your spouse's employer, you can sign up for Medicare Part B during a special enrollment period. However, if your spouse is covered under your retiree plan, your spouse must enroll in Medicare Part B to be covered.

**MEDICARE PART D PRESCRIPTION DRUGS PROGRAM**

**What is the Medicare Part D Prescription Drugs plans?**

Beginning January 1, 2006, new Medicare prescription drug plans became available to people with Medicare. Medicare prescription drug plans provide insurance coverage for prescription drugs. Like other insurance, if you join, you will pay a monthly premium and pay a share of the cost of your prescriptions. Costs will vary depending on the drug plan you choose.

**Do I have to enroll?**

No, enrollment in Part D is voluntary.



## **What if I already have prescription drug coverage? (excerpt from Medicare Part D FAQ)**

If your current drug coverage meets the “creditable prescription drug coverage” definition – that is coverage that is of equal or greater value than Medicare standard prescription drug coverage, you may keep that coverage and wait to enroll in Part D. The organization offering your current coverage, such as your former employer or union or the insurance company they have hired, will tell you whether your current coverage is creditable. If you have and keep, creditable coverage for a few years and later decide to join Medicare’s Part D, then you will not be subject to the late enrollment penalty.

## **What if I have prescription drug coverage from the EUTF?**

If you are enrolled in the EUTF retiree medical and prescription drugs plan, you have a prescription drug coverage that is of equal or greater value than the standard Medicare prescription drugs plan (Medicare Part D). Each year, you will get a Notice of Creditable Coverage from the EUTF that will tell you that your plan covers as much or more than a Medicare prescription drug plan.

## **What if I have the Kaiser Permanente Senior Advantage medical plan?**

All Medicare eligible members are enrolled in the Medicare Part D plan through Kaiser Senior Advantage. The EUTF enhances the Medicare Part D coverage with supplemental drugs benefits that makes your current prescription drugs coverage better than the standard Medicare Part D plan. There is no additional cost for the Medicare Part D premiums.

## **Are there situations when I should enroll in Medicare Part D?**

If you qualify

In deciding whether to join a Medicare Part D plan, you should compare the different drugs that are available under your current plan and the alternative plans. Not all Medicare Part D plans cover the same drugs, or provide the coverage at the same cost. In addition to the monthly Part D premium you may have to pay if you join another prescription drug plan, you should also determine how much you will have to pay for the actual prescriptions you anticipate using. Under some Medicare Part D plans, your out-of-pocket costs (for deductibles and co-payments) could be as much as \$3,600 per person per year, not including the monthly Part D premium.

### **What if I have the HMSA medical and prescription drug plan?**

If you are currently enrolled in the HMSA's prescription drug plan, you can keep that prescription drug coverage in force as a retiree. You can also choose to join a Medicare Part D prescription drug plan. If you do choose to join a Part D drug plan, you can still keep your retiree medical coverage with HMSA. Though you have the right to join a different Medicare Part D plan, you do not have to do so. Since your HMSA retiree drug coverage is as good as or better than the standard Medicare Part D benefit, Medicare will not penalize you if you decide to change from the HMSA plan to another Medicare Part D plan in the future.

### **What does the Notice of Creditable Coverage mean?**

It means that you can keep your current drug plan. You do not need to enroll in the Medicare Part D prescription drugs plan. If you join a Medicare prescription drug plan at a later date, you will not be subject to a premium penalty.

### **Will I be reimbursed for my Medicare Part D premiums?**

No. Since this is a voluntary program and there is no need for you to enroll since your current prescription drugs plan is as good as or better than the Medicare Part D plan, there will be no reimbursement for Part D premiums.

## **Contacts, addresses and other significant information**

1. Please include your name, social security number or the EUTF HB number and daytime telephone number on all correspondence and telephone messages to EUTF. Although you are not required to provide your social security number, by doing so, we can easily identify to help insure the accurate processing of your records.
2. If you have questions about your eligibility for Medicare Part A or Part B, or if you want to apply for Medicare, call the social security administration or visit their website at [www.medicare.gov](http://www.medicare.gov). The toll-free telephone number is: 1-800-772-1213. The TTY-TDD number for the hearing impaired is 1-800-325-0778. You can also get information about buying Medicare Part A if you do not qualify for premium-free Medicare Part A.

### **3. Insurance carriers customer service telephone numbers**

- a. Hawaii Medical Service Association (HMSA) has offices on all major islands in Hawaii.

Oahu: 948-6499

Hilo HI: 965-5441

Kona HI: 329-5291

Kauai: 245-3393

Maui: 871-6295

Website: [www.hmsa.com](http://www.hmsa.com)

- b. Kaiser Permanente

Oahu: 432-5955

Toll-free neighbor islands: 1-800-966-5955

Website: [www.kaiserpermanente.org](http://www.kaiserpermanente.org)

- c. Hawaii Dental Service (HDS)

Oahu: 529-9248

Toll-free: 1-800-232-2533

Website: [www.deltadentalhi.org](http://www.deltadentalhi.org)

d. Vision Service Plan (VSP)

Oahu: 532-1600

Toll-free neighbor islands: 1-800-522-5162

Toll-free mainland: 1-800-877-7195

Website: [www.vsp.com](http://www.vsp.com)

e. Aetna Life Insurance Company

Toll-free: 1-866-277-9954

Website: [www.aetna.com](http://www.aetna.com)

4. Hawaii Employer-Union Health Benefits Trust Fund (EUTF)

a. Telephone numbers

Oahu: 586-7390

Toll-free: 1-800-295-0089

b. Website; [www.eutf.hawaii.gov](http://www.eutf.hawaii.gov)

c. Email address: [eutf@hawaii.gov](mailto:eutf@hawaii.gov)

d. Mailing address:

P.O. Box 2121

Honolulu HI 96805-2121

e. Location address:

201 Merchant Street, Suite 1520

City Financial Tower

Honolulu HI 96813

## Comparison of your active employee and retiree benefits.

Upon retirement, your health insurance benefit coverage will change to the retiree plans. The retiree plans differ from the plans offered to active employees. The following summarizes the major differences between the active employee and retiree plans:

	<u>Major differences</u>	<u>Active</u>	<u>Retiree</u>
<b>Medical</b>			
Kaiser		Same benefits for both	
HMSA	max annual co-payment (family)	\$4,500	\$7,500
HMSA	max annual co-payment (person)	\$1,500	\$4,500
HMSA	deductible for participating provider	none	100/person \$300/family
HMSA	physical examination	yes	no
<b>Dental (HDS)</b>	orthodontics	yes	no
	basic services	80%	60%
	calendar year max per person	\$2,000	\$1,000
<b>Chiropractic</b>	availability	yes	no
<b>Vision</b>			
		Same benefits for both	
<b>Life insurance</b>	coverage differs	up to \$31,217	\$2,372

## Premium Rates for Plans Effective July 1, 2006

Carrier	Type of Plan	Coverage	Monthly Premiums
HMSA	Non-Medicare Medical	Single	\$315.42
		Family	\$882.28
HMSA	Medicare Medical	Single	\$201.08
		Family	\$657.96
Kaiser	Non-Medicare Medical	Single	\$348.20
		Family	\$1,044.56
Kaiser	Medicare Medical	Single	\$164.40
		Family	\$493.12
HDS	Dental	Single	\$29.20
		Family	\$58.56
VSP	Vision	Single	\$4.68
		Family	\$10.06
AETNA	Life Insurance	Retiree only	\$4.16

The rates shown are the cost to your employer if you are eligible for 100% contribution and only for Hawaii-based plans. Retirees enrolled in the HMSA plan are enrolled in the Hawaii-based plan. Premiums for retirees enrolled in the Kaiser plan outside of Hawaii will depend on the premiums for the Kaiser plans in their local area. Contributions for retiree premiums are based on the rates above. If your premiums are higher, you are responsible for the difference.

### MAXIMUM EMPLOYER CONTRIBUTION FOR CALENDAR YEAR 2006

WITH MEDICARE	Maximum Allowable
SELF	\$ 328.97
FAMILY	\$ 1,019.56
WITHOUT MEDICARE	
SELF	\$ 505.59
FAMILY	\$ 1,386.94

Note: Adjustments to be made for January 1, 2007 based on the Medicare adjustment for 2007.



# Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Direct Deposit Agreement Form

<b>First Name &amp; MI</b>	
<b>Last Name</b>	
<b>SSN/ID #:</b>	

ACT 039, SLH 2006, signed by the Governor on April 27, 2006, permits the Hawaii Employer-Union Health Benefits Trust Fund to require individuals who become eligible for Medicare Part B reimbursements on or after July 1, 2006 to accept direct deposit of Medicare reimbursements to a financial institution of their choice.

## Authorization Agreement

I hereby authorize the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF") to automatically and directly deposit Medicare Part B premium reimbursements to my account at the financial institution named below. I also authorize the EUTF to make withdrawals from my account in the event that Medicare Part B premium reimbursements have been made to my account in error, e.g., overpayments. **Initial** \_\_\_\_\_

I hereby consent to the Financial Institution disclosing any information to the EUTF as necessary to effectuate, administer, or enforce the transactions authorized above. **Initial** \_\_\_\_\_

I agree not to hold the EUTF responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by Financial Institution or due to an error on the part of Financial Institution in depositing funds to my account. **Initial** \_\_\_\_\_

## Account Information (to be completed by the financial institution)

**Name of Account Holder(s):**

**Name of Financial Institution:**

**Routing Number:**

**Account Number:**

Checking  
☐

Savings  
☐

**Financial Institution Certification:**

Name of Agent: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Certification by Account Holder(s)

**Authorized Signature (Primary):**

**Date:**

**Authorized Signature:**

**Date:**

**Please attach a voided check or deposit slip and return this form to the EUTF in the envelope provided.**

## **INSTRUCTIONS**

The 2006 State Legislature passed Act 39 which was signed into law by the Governor on April 27, 2006. The act establishes the requirement for all individuals who become eligible for Medicare Part B reimbursements on or after July 1, 2006 to accept direct deposits to the institution and account of their choice.

The employee/retiree must complete the top portion of the form to include the full name and social security number or your EUTF ID number. Failure to complete this section will void this form. If there is a change to your account, you will need to submit a new form. The most recently dated form submitted to the EUTF will apply.

The employee/retiree should carefully read each paragraph under the Authorization Agreement and initial after each paragraph. Your initial indicates that you fully understand and agree to the contents in each paragraph. Failure to initial where required will void this form.

Once you are completed with the top portion of this form, take this form to your financial institution to complete the Account Information section. The employee/retiree's name must appear on the account. Please ensure that this section is signed by a representative of the financial institution.

Before returning this form to the EUTF, please ensure that you complete the "Certification of Account Holder(s)" section. The employee/retiree signs as the primary account holder. If the account is a joint account, please have the joint account holder(s) sign the form. Use an additional sheet if necessary. If you are representing the employee/retiree, please ensure that you have an notarized authorization or power of attorney on file with the EUTF. If not, please send in the appropriate documents with this form.

If you have any questions, please contact the EUTF Customer service at:

Oahu: 808-586-7390

Toll-Free: 1-800-295-0089

Email address: [eutf@hawaii.gov](mailto:eutf@hawaii.gov) EUTF Website: [www.eutf.hawaii.gov](http://www.eutf.hawaii.gov)

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